



# Department of Justice

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## **JUSTICE DEPARTMENT REQUIRES COMPUTER ASSOCIATES TO DIVEST SOFTWARE ASSETS IN PLATINUM TECHNOLOGY ACQUISITION**

### **Companies Agree to Sell Certain Software Assets for Mainframe Computers**

WASHINGTON, D.C. -- The Department of Justice today reached an agreement with Computer Associates International Inc. that will allow the company to go forward with its purchase of Platinum *technology* International *inc.*, provided that Computer Associates sells six Platinum mainframe systems management software products and related assets. Without the divestitures, Computer Associates' dominance in a number of already concentrated software markets would be significantly increased.

Computer Associates is the world's largest independent vendor of computer software for IBM and IBM-compatible mainframe computers and is the dominant competitor in a number of mainframe systems management software markets for IBM's OS/390 (formerly MVS) and VSE operating systems. Platinum is a major competitor in mainframe systems management products and has been one of the few substantial competitors to Computer Associates in a number of these markets. Software programs used on mainframe computers are critical to the operations of major industrial, commercial, educational, and governmental enterprises, and software provided by Computer Associates and Platinum is crucial to maintaining efficient mainframe operations.

"It is important that the companies and universities that use mainframe software receive the full benefits of competition in these markets in terms of price, service, and product

development,” said Joel I. Klein, Assistant Attorney General in charge of the Department’s Antitrust Division. “The agreed-upon divestitures will preserve competition in the affected markets and will ensure that consumers of these products will not suffer as a result of this merger.”

The Department’s Antitrust Division filed a lawsuit today in U.S. District Court in Washington, D.C. to block Computer Associates’ original deal to acquire Platinum. At the same time, a proposed consent decree was filed that, if approved by the Court, will settle the lawsuit.

According to the complaint, the merger would have reduced competition in five mainframe systems management product markets: tape management, job scheduling and rerun, and change management software for the OS/390 operating system, job scheduling and rerun and automated operations for the VSE operating system. Under the terms of the settlement, Platinum is required to sell six mainframe systems management software products and related assets in these five markets. These assets will be separately held and managed from Computer Associates’ remaining assets. A trustee will sell Platinum’s assets to a purchaser or purchasers, approved by the Department, that can compete effectively in these markets.

Computer Associates also is the dominant competitor in the job accounting products software business. Prior to the offer by Computer Associates, Platinum had committed to sell its family of job accounting and capacity planning products. In an agreement reached between the Department and the parties, the sale of the job accounting and capacity planning products will either be completed in a manner acceptable to the Department or added to those products to be sold by the trustee.

Computer Associates is a Delaware corporation headquartered in Islandia, New York, with fiscal year 1998 revenues in excess of \$4.7 billion. Platinum is a Delaware corporation headquartered in Oakbrook Terrace, Illinois, with fiscal year 1998 revenues in excess of \$968 million.

As required by the Tunney Act, the proposed Final Judgment will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit written comments concerning the proposed decree during a 60-day comment period to Nancy Goodman, Computers & Finance Section, Antitrust Division, U.S. Department of Justice, 600 E Street, N.W., Suite 9300, Washington, D.C. 20530 (202/514-5634).

At the conclusion of the 60-day comment period, the Court may enter the Final Judgment upon its finding that it serves the public interest.

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